

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 17-119.1 as follows:

6 (40 ILCS 5/17-119.1)

7 Sec. 17-119.1. Optional increase in retirement annuity.

8 (a) A member of the Fund may qualify for the augmented
9 rate under subdivision (b)(3) of Section 17-116 for all years
10 of creditable service earned before July 1, 1998 by making
11 the optional contribution specified in subsection (b); except
12 that a member who retires on or after July 1, 1998 with at
13 least 30 years of creditable service at retirement qualifies
14 for the augmented rate without making any contribution under
15 subsection (b). Any member who retires on or after July 1,
16 1998 and before the effective date of this amendatory Act of
17 the 92nd General Assembly with at least 30 years of
18 creditable service shall be paid a lump sum equal to the
19 amount he or she would have received under the augmented rate
20 minus the amount he or she actually received. A member may
21 not elect to qualify for the augmented rate for only a
22 portion of his or her creditable service earned before July
23 1, 1998.

24 (b) The contribution shall be an amount equal to 1.0% of
25 the member's highest salary rate in the 4 consecutive school
26 years immediately prior to but not including the school year
27 in which the application occurs, multiplied by the number of
28 years of creditable service earned by the member before July
29 1, 1998 or 20, whichever is less. This contribution shall be
30 reduced by 1.0% of that salary rate for every 3 full years of
31 creditable service earned by the member after June 30, 1998.

1 The contribution shall be further reduced at the rate of 25%
2 of the contribution (as reduced for service after June 30,
3 1998) for each year of the member's total creditable service
4 in excess of 34 years. The contribution shall not in any
5 event exceed 20% of that salary rate.

6 The member shall pay to the Fund the amount of the
7 contribution as calculated at the time of application under
8 this Section. The amount of the contribution determined
9 under this subsection shall be recalculated at the time of
10 retirement, and if the Fund determines that the amount paid
11 by the member exceeds the recalculated amount, the Fund shall
12 refund the difference to the member with regular interest
13 from the date of payment to the date of refund.

14 The contribution required by this subsection shall be
15 paid in one of the following ways or in a combination of the
16 following ways that does not extend over more than 5 years:

17 (i) in a lump sum on or before the date of
18 retirement;

19 (ii) in substantially equal installments over a
20 period of time not to exceed 5 years, as a deduction from
21 salary in accordance with Section 17-130.2;

22 (iii) ~~if--the--member--becomes--an--annuitant--before~~
23 ~~June---30,---2003,~~ in substantially equal monthly
24 installments over a 24-month period, by a deduction from
25 the annuitant's monthly benefit.

26 (c) If the member fails to make the full contribution
27 under this Section in a timely fashion, the payments made
28 under this Section shall be refunded to the member, without
29 interest. If the member dies before making the full
30 contribution, the payments made under this Section shall be
31 refunded to the member's designated beneficiary.

32 (d) For purposes of this Section and subsection (b) of
33 Section 17-116, optional creditable service established by a
34 member shall be deemed to have been earned at the time of the

1 employment or other qualifying event upon which the service
2 is based, rather than at the time the credit was established
3 in this Fund.

4 (e) The contributions required under this Section are
5 the responsibility of the teacher and not the teacher's
6 employer. However, an employer of teachers may say, after
7 the effective date of this amendatory Act of 1998,
8 specifically agree, through collective bargaining or
9 otherwise, to make the contributions required by this Section
10 on behalf of those teachers.

11 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01;
12 revised 10-4-01.)

13 Section 90. The State Mandates Act is amended by adding
14 Section 8.26 as follows:

15 (30 ILCS 805/8.26 new)

16 Sec. 8.26. Exempt mandate. Notwithstanding Sections 6
17 and 8 of this Act, no reimbursement by the State is required
18 for the implementation of any mandate created by this
19 amendatory Act of the 92nd General Assembly.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.